

**City of Rockville**  
**Cash and Investment Portfolio Summary**  
**September 30, 2007**

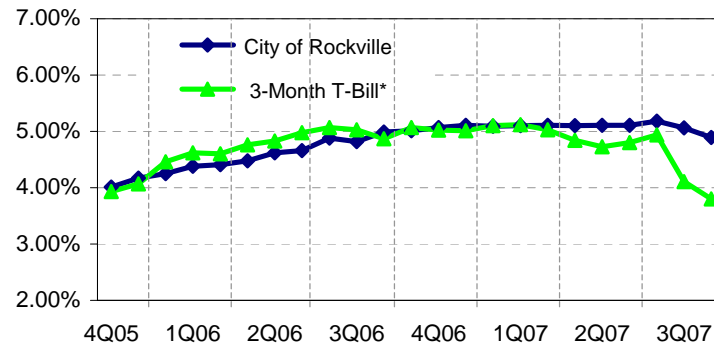
	Market Value 9/30/2007	Market Value 8/31/2007	Monthly Change
Money Market Funds	49,681,088	42,177,699	7,503,389
Federal Agency Discount Notes	27,273,495	13,634,590	13,638,905
Federal Agency Notes *	-	-	-
Deposits with Financial Institutions	403,315	364,618	38,698
<b>TOTAL:</b>	<b>77,357,899</b>	<b>56,176,907</b>	<b>21,180,992</b>

\* An increase/decrease in Federal Agency Notes represents an unrealized gain/loss to the portfolio or a security maturity or purchase. The gain/loss is unrealized because all securities in the portfolio are held to maturity as stated in Section XVIII of the City's Investment Policy.

**Investment Activity**

During the month of September, staff purchased \$6 million in a FNMA discount note and \$8 million in a FHLB discount note. Both securities were competitively bid and purchased from Morgan Keegan on September 25, 2007. These new securities extended the average maturity of the portfolio, while helping to maintain the overall portfolio yield.

**Investment Performance**



Calendar Quarters	City of Rockville	3-Month T-Bill*	Difference
4Q05	4.09%	4.00%	0.09%
1Q06	4.35%	4.56%	(0.21%)
2Q06	4.59%	4.86%	(0.27%)
3Q06	4.90%	4.99%	(0.09%)
4Q06	5.06%	5.03%	0.03%
1Q07	5.10%	5.08%	0.02%
2Q07	5.11%	4.79%	0.32%
Jul-07	5.18%	4.94%	0.24%
Aug-07	5.06%	4.11%	0.95%
Sep-07	4.89%	3.80%	1.09%

\* Source: Morgan Keegan Daily Market Update

**Report Certification**

I certify the accuracy of the attached report on the City of Rockville's Cash and Investment Portfolio Summary. All funds for which the City has oversight are reflected in this report. The City's Investment Program is consistent with the Statement of Investment Policy and provides sufficient liquidity to meet the next six (6) months expenditure requirements. The source of the market values of investments is SunTrust Bank.

Gavin Cohen, Finance Director

**City of Rockville**  
**Investment Portfolio Details**  
**September 30, 2007**

**Money Market Funds**

Broker/ Dealer	CUSIP	Security	Coupon	Par	Call Date	Maturity Date	Trade Date	Settlement Date	Purchase Value	Yield to Maturity	Purchase Price	Monthly Interest	Market Value on 9/30/07
-	784767808	STI Classic MM	-	40,834,455	-	-	-	-	-	4.88%	40,834,455	129,326	40,834,455
-	784767808	STI Classic (Sweep)	-	8,591,000	-	-	-	-	-	4.88%	8,591,000	37,085	8,591,000
-	784766305	STI Classic (Escrow)	-	255,633	-	-	-	-	-	4.49%	255,633	943	255,633
				49,681,088							49,681,088	167,354	49,681,088

**Federal Agency Discount Notes**

Broker/ Dealer	CUSIP	Security	Coupon	Par	Call Date	Maturity Date	Trade Date	Settlement Date	Purchase Value	Yield to Maturity	Purchase Price	Monthly Interest	Market Value on 9/30/07
VS	313396PX5	FHLMC	-	8,000,000	-	11/30/07	05/23/07	05/24/07	97.32800%	5.29%	7,786,240	33,752	7,786,240
VS	313396SC8	FHLMC	-	6,000,000	-	01/22/08	07/25/07	07/26/07	97.47250%	5.30%	5,848,350	25,275	5,848,350
MK	313384UW7	FHLB	-	8,000,000	-	03/28/08	09/24/07	09/25/07	97.72347%	4.58%	7,817,878	4,922	7,817,878
MK	313588XM2	FNMA	-	6,000,000	-	05/30/08	09/24/07	09/25/07	97.01711%	4.50%	5,821,027	3,594	5,821,027
				28,000,000							27,273,495	67,543	27,273,495

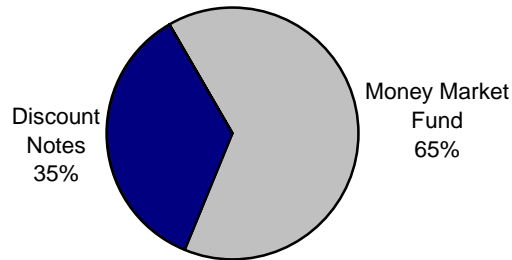
**Total Market Value as of 9/30/07:** 76,954,583

**Weighted Average  
Yield to Maturity:** 4.89%

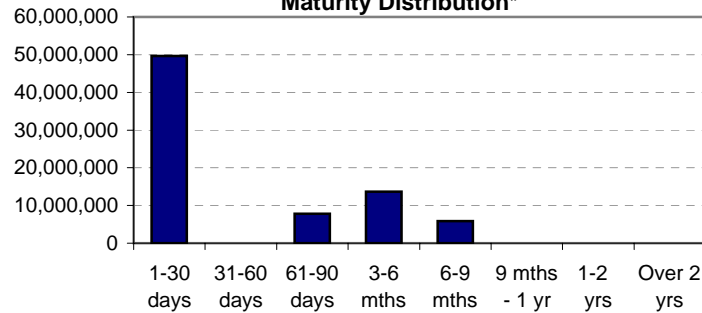
**Performance Benchmark  
3-Mth U.S. Treasury Bill:** 3.80%

**Weighted Average  
Days to Maturity:** 52 days

**Sector Distribution**



**Maturity Distribution\***



\* Represents final maturities, not call date maturities.

**City of Rockville**  
**End of Month Cash Account Balances**  
**September 30, 2007**

---

	Ending Balance 9/30/07	Ending Balance 8/31/07	Monthly Change
City of Rockville Concentration Account	162,829	199,841	(37,012)
City of Rockville Payroll Account (Sweep Account)	-	-	-
City of Rockville Parking Account	65,420	44,990	20,431
City of Rockville Swim Center Account	128,891	84,614	44,277
City of Rockville Senior Center Account	42,446	31,986	10,460
City of Rockville Skate Park Account	3,729	3,187	542
<b>TOTAL:</b>	<b>403,315</b>	<b>364,618</b>	<b>38,698</b>